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CONCORDIA PARISH RECREATION
DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Vidalia, Louisiana

Component Unit Financial Statements
and Independent Auditor's Reports
as of and for the Year Ended
December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/29/07

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Concordia Parish Recreation District No. 3
Concordia Parish Police Jury
Vidalia, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and major funds of the Concordia Parish Recreation District No. 3 (the District) a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Concordia Parish Recreation District No. 3 as of December 31, 2006 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2007 on our consideration of the Concordia Parish Recreation District No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the Board of Commissioners
Concordia Parish Recreation District No. 3
Page Two

The Management's Discussion and Analysis is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Ferriday, Louisiana
June 26, 2007

Switzer, Hopkins & Marge

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

As management of the Concordia Recreation District No. 3, Vidalia, Louisiana, we offer readers of the Recreation District, Louisiana's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended December 31, 2006 and 2005. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2006 and 2005, the Concordia Recreation District No. 3's net assets increased and resulted in ending net assets of \$1,764,019 at December 31, 2006, and \$1,587,163 at December 31, 2005.

1. The cash balance for the District was \$994,667 in 2006 and \$816,443 in 2005.
2. The general fund had \$320,378 in revenues for 2006, compared to \$280,008 in 2005. These primarily consisted of the property taxes and interest income. There was \$143,522 in general fund expenditures for 2006, and \$135,268 for 2005.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Concordia Recreation District No.3's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

The government-wide financial statements outline functions of the District that are principally supported by property taxes. Fixed assets are also supported by taxes and other revenues.

The government-wide financial statements can be found on pages 8 – 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 - 20 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1,764,019 as of December 31, 2006 and \$1,587,163 as of December 31, 2005.

Net Assets for the periods ending December 31, 2006 and 2005

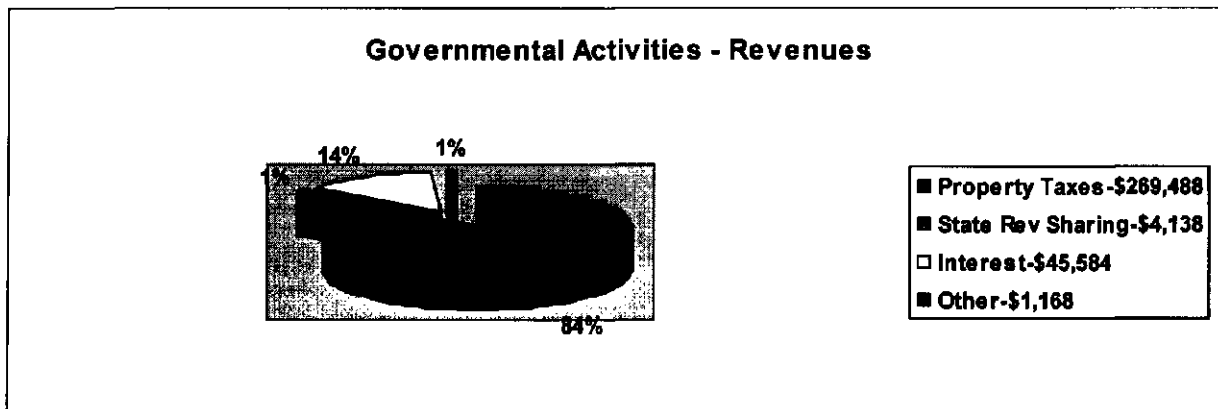
	Governmental Activities	
	2006	2005
	<u>Total</u>	<u>Total</u>
Current Assets	\$ 1,282,851	\$ 1,074,981
Noncurrent Assets - Capital Assets	<u>487,845</u>	<u>512,906</u>
Total Assets	<u>1,770,696</u>	<u>1,587,887</u>
 Current Liabilities	 <u>6,677</u>	 <u>724</u>
Total Liabilities	<u>6,677</u>	<u>724</u>
 Net Assets		
Investment in capital assets	487,845	512,906
Unrestricted	<u>1,276,174</u>	<u>1,074,257</u>
Total Net Assets	<u>\$ 1,764,019</u>	<u>\$ 1,587,163</u>

**CONCORDIA PARISH RECREATION DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

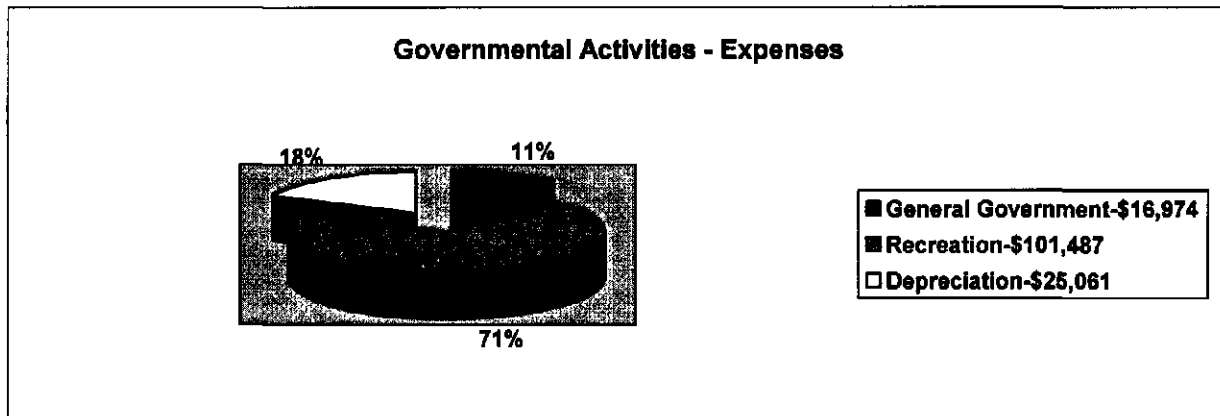
The following is a comparative summary of the statement of activities:

	<u>2006</u>	<u>2005</u>
Revenues:		
Ad valorem taxes	\$ 269,488	\$ 254,711
State revenue sharing	4,138	2,948
Interest income	45,584	22,349
Other income	1,168	-
Total revenues and transfers	<u>320,378</u>	<u>280,008</u>
Expenses:		
Finance and administration	16,974	19,055
Retirement		
Culture and recreation	101,487	90,899
Depreciation	25,061	25,314
	<u>143,522</u>	<u>135,268</u>
Increase in net assets	176,856	144,740
Net Assets January 1	<u>1,587,163</u>	<u>1,442,423</u>
Net Assets December 31	<u>\$ 1,764,019</u>	<u>\$ 1,587,163</u>

The following are a graphical representation of information presented in the Statement of Activities for Governmental Activities for the year 2006.



**CONCORDIA PARISH RECREATION DISTRICT NO. 3
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Comments on General Fund Budget Comparisons

The District, as a special district created before December 31, 1974, is not required to adopt a budget under the Louisiana Government Budget Act, therefore no budget was adopted by the District.

CAPITAL ASSETS

As of December 31, 2006 and 2005, the District had \$935,686 invested in capital assets. There were no additions to fixed assets in 2006.

FUTURE PLANS

The voters of the District approved an extension of the property tax millage for 10 more years. Therefore, the District looks to continue and improve its programs to provide recreation opportunities to the taxpayers of the District.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Lula Caldwell, Secretary, 501 Holly Street, Vidalia, LA 71373.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)
(PART I)**

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Statement of Net Assets
December 31, 2006

Statement A

ASSETS

Current Assets:

Cash and cash equivalents

\$ 994,667

Receivables:

Accounts

260,465

Accrued interest

25,837

Prepaid expenses

1,882

Capital assets (net)

487,845

Total assets

1,770,696

LIABILITIES

Current Liabilities:

Accounts and other payables

6,677

NET ASSETS

Invested in capital assets

487,845

Unrestricted

1,276,174

Total Net Assets

\$ 1,764,019

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Statement of Activities
December 31, 2006

Statement B

REVENUES

Ad valorem taxes	\$ 269,488
State revenue sharing	4,138
Interest income	45,584
Other income	<u>1,168</u>
Total Revenues	<u>320,378</u>

EXPENDITURES

General government:	
Finance and Administration	16,974
Culture and Recreation	<u>126,548</u>
Total Expenditures	<u>143,522</u>
 Change in Net Assets	 176,856
 Net Assets, Beginning of Year	 <u>1,587,163</u>
 Net Assets, End of Year	 <u>\$ 1,764,019</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS (FSS)

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Balance Sheet – Governmental Funds
December 31, 2006

Statement C

ASSETS

Current Assets:

Cash and cash equivalents \$ 994,667

Receivables:

Accounts 260,465

Accrued interest 25,837

Prepaid expenses 1,882

Total assets 1,282,851

LIABILITIES

Current Liabilities:

Accounts and other payables 6,677

Fund Balances:

Unrestricted 1,276,174

Total Liabilities and Fund Balances \$ 1,282,851

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Reconciliation of the Governmental Funds Balance Sheet
December 31, 2006

Statement D

Total fund balances for governmental funds (Statement C)	\$ 1,276,174
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Total net assets reported for governmental
activities in the statement of net assets is different
because:

Capital assets used governmental activities are not
financial resources and, therefore, are not reported
in the funds. Those assets consist of:

Land	187,000
Buildings net of \$235,924 accumulated depreciation	104,660
Equipment net of \$377,917 accumulated depreciation	<u>196,185</u>

Total net assets of governmental activities (Statement A)	<u>\$ 1,764,019</u>
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The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
 CONCORDIA PARISH POLICE JURY
 Statement of Revenues, Expenditures and Changes
 In Fund Balance
 For the Years Ended December 31, 2006

Statement E

REVENUES

Ad valorem taxes	\$ 269,488
State revenue sharing	4,138
Interest income	45,584
Other income	<u>1,168</u>
Total Revenues	<u>320,378</u>

EXPENDITURES

General government:	
Finance and Administration	16,974
Culture and Recreation	<u>101,487</u>
Total Expenditures	<u>118,461</u>

Net change in fund balance	201,917
Fund Balance, beginning of year	<u>1,074,257</u>
Fund Balance, end of year	<u>\$ 1,276,174</u>

The accompanying notes are an integral part of these financial statements.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance
December 31, 2006

Statement F

Net changes in fund balance - governmental fund (Statement E)	\$ 201,917
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Amounts reported for governmental activity in the
statement of activity is different because:

Governmental funds report capital outlays as
expenditures. However, in the statement of
activities the cost of those assets is allocated over
their estimated useful lives and reported as
depreciation expense.

Depreciation expense for the year ended	<u>(25,061)</u>
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Change in net assets per statement of activities (Statement B)	<u>\$ 176,856</u>
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**CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY**

**Notes to the Financial Statements
As of and for the year Ended December 31, 2006**

INTRODUCTION

1. The Concordia Parish Recreation District No. 3 (The District) was created by ordinance of the Concordia Parish Police Jury on May 28, 1958, as provided by Louisiana Revised Statutes 33:4562-4566. The District has been a component unit of the Concordia Parish Police Jury since inception in 1958.
2. The purpose of the District is to own and operate playgrounds and other facilities in the District and to initiate activities that would promote recreation relating to the general health and well being of youths.
3. The District is located in Vidalia and surrounding areas of Concordia Parish, Louisiana.
4. The population of the District is approximately 7,200.
5. The District is governed seven commissioners appointed by the Concordia Parish Police Jury. The commissioners serve without pay.
6. The District has a secretary, two maintenance and three or four other part-time independent contractors.
7. Approximately 800 youth and adults participate in the District's facilities and programs each year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Concordia Parish Recreation District No. 3 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

B. REPORTING ENTITY

The district is a component unit of the Concordia Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY

Notes to the Financial Statements
As of and for the year Ended December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The governmental fund of the district includes:

1. General Fund--the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY

Notes to the Financial Statements
As of and for the year Ended December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenues

The District receives property taxes directly from the Concordia Parish Tax Collector who collects the taxes. The District sets its taxes based on voter approved millages. The assessed values of property are determined by the Concordia Tax Assessor. All other revenues are collected by the District.

Expenditures

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

E. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

F. Receivables and Payables

All trade and property tax receivables are shown net of allowance for uncollectives. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The District is authorized to levy a 4 mill tax for the operation and maintenance of the District. The District levied taxes of 3.89 mills for year 2006.

The following are the principal taxpayers and related property tax revenues for the District:

	Type of <u>Business</u>	Assessed <u>Valuation</u>	% of Total Assesed <u>Valuation</u>	Ad Valorem Tax Revenue <u>for District</u>
Catalyst Old River	Hydro Power	\$ 29,971,580	42.00%	\$ 116,589
Union Underwear, Inc.	Clothing	11,850,210	16.60%	46,097
		<u>\$ 41,821,790</u>		<u>\$ 162,686</u>

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY

Notes to the Financial Statements
As of and for the year Ended December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

J. Budget Practices

The District did not adopt budgets for its funds for the year ended December 31, 2006; therefore, the financial statements do not reflect a comparison of revenues and expenditures to budget. Louisiana law exempts all special districts created before December 31, 1974 from the requirements of the Louisiana Government Budget Act.

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY

Notes to the Financial Statements
As of and for the year Ended December 31, 2006

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2006 the District has cash and cash equivalents (book balances) totaling \$994,667. All deposits were interest bearing demand deposits (\$338,102) or interest bearing certificates of deposit (\$ 957,211).

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2006, the District has \$994,145 in deposits (collected bank balances). These deposits are secured from risk by \$338,102 of federal deposit insurance and \$656,043 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 3 - RECEIVABLES

The receivables of \$286,302 at December 31, 2006 are as follows:

Ad valorem	\$ 260,465
Interest	25,837
Less allowance for doubtful accounts	<u>-</u>
Total receivables	<u>\$ 286,302</u>

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2006 are as follows:

	Balance <u>12/31/2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2006</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 187,000	\$ -	\$ -	\$ 187,000
Capital assets being depreciated				
Buildings	340,584	-	-	340,584
Equipment	<u>408,102</u>	<u>-</u>	<u>-</u>	<u>408,102</u>
Total capital assets being depreciated	<u>748,686</u>	<u>-</u>	<u>-</u>	<u>748,686</u>

CONCORDIA PARISH RECREATION DISTRICT NO. 3
CONCORDIA PARISH POLICE JURY

Notes to the Financial Statements
As of and for the year Ended December 31, 2006

NOTE 4 – CAPITAL ASSETS – continued

	Balance <u>12/31/2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2006</u>
Less accumulated depreciation for:				
Buildings	\$ (229,345)	\$ (6,579)	\$ -	\$ (235,924)
Equipment	(193,435)	(18,482)	-	(211,917)
Total accumulated depreciation	<u>(422,780)</u>	<u>(25,061)</u>	-	<u>(447,841)</u>
Total capital assets being depreciated, net	<u>325,906</u>	<u>(25,061)</u>	-	<u>300,845</u>
Governmental Activities capital assets, net	<u>\$ 512,906</u>	<u>\$ (25,061)</u>	<u>\$ -</u>	<u>\$ 487,845</u>

Depreciation expense of \$25,061 was charged to culture and recreation

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

Accounts and other payables consisted of the following at year end:

Culture and recreation operations	<u>\$ 6,677</u>
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NOTE 6 – RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

REPORT ON COMPLIANCE AND INTERNAL CONTROL
(PART II)

SWITZER, HOPKINS & MANGE

Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Concordia Parish Recreation District No. 3
Concordia Parish Police Jury
Vidalia, Louisiana

We have audited the financial statements of the Concordia Parish Recreation District No. 3 as of and for the year ended December 31, 2006, and have issued our report thereon dated June 26, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Concordia Parish Recreation District No. 3's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concordia Parish Recreation District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Concordia Parish Recreation District No. 3's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Concordia Parish Recreation District No. 3's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Concordia Parish Recreation District No. 3's financial statements that is more than inconsequential will not be prevented or detected by the Concordia Parish Recreation District No. 3's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. The finding we describe in the accompanying current year findings is referenced number 2006-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concordia Parish Recreation District No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management of the Concordia Parish Recreation District No. 3 and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
June 26, 2007

Sutzy, Hopkins & Mange

CONCORDIA PARISH RECREATION DISTRICT NO. 3

Current Year Findings, Recommendations and Corrective Action Plan For the Year Ended December 31, 2006

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Section I - Internal Control and Compliance Material to the Financial Statements:				
2006-1	<p>There is insufficient segregation of duties necessary to have an effective internal control. One person has complete control over receipts and disbursements because she is the only person employed.</p> <p>Since the cost of an internal control system should not outweigh the benefits derived from it, we can only recommend the District consider and analyze the costs versus the benefits associated with hiring additional administrative/ accounting personnel.</p>	<p>Management indicated that this would not be cost efficient or feasible to hire any additional employees and plans no changes in its operations.</p>	Lula Caldwell	N/A

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

CONCORDIA PARISH RECREATION DISTRICT NO. 3

Status of Prior Audit Findings For the Year Ended December 31, 2006

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal control and Compliance Material to the Financial Statements:				
2005-1	2005	Louisiana Revised Statute 24:513 requires all audit engagements be completed and transmitted to the Louisiana Legislative Auditor within six months of the close fo the year. Accordingly, the District's audit report for the year ended December 31, 2005 was due to the Legislative Auditor by June 30, 2006.	Yes	The 2006 audit report was completed and transmitted by the date due.
2005-2	Numerous	We noted the District does not have adequate segregation of duties. This finding has been reported as a reportable condition other than a material weakness for many years.	No	This is reported in 2006 as finding 2006-1. Management indicates that it is not cost efficient or feasible to increase the number of employees and had no plans to do so.

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter:

None